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**PROGRESSIVE CAUCUS INTRODUCES ACROSS-THE-BOARD TAX RELIEF PACKAGE
FOR ALL AMERICANS**

The American People's Dividend would give every man, woman and child \$300 in tax relief

WASHINGTON – The Congressional Progressive Caucus today unveiled a major, across-the-board tax package that would provide substantial and equal tax relief to all Americans. Entitled the “American People’s Dividend,” the plan would provide \$300 annually to every man, woman and child in America as long as a budget surplus exists, at \$900 billion over ten years. The Bush tax plan, on the other hand, provides 50% of the benefits to the wealthiest 5% of the population at an astounding \$1.6 trillion. Not coincidentally, the Wall Street Journal today reported Bush held a White House meeting with the wealthiest GOP donors to his campaign to discuss how the plan will benefit them.

Progressive Caucus Chairman Dennis Kucinich said, “Unlike President Bush’s tax proposal which gives most of the tax benefits to the very few, the Progressive Caucus is proposing the American People’s Dividend that gives every person equal tax relief to every man woman and child every year there is a budget surplus. Our plan is simple – everyone, regardless of income, receives the same benefit. For a family of four, this would mean \$1200 a year in tax relief. In the coming weeks, the Progressive Caucus will be working as a cohesive unit to reach out to leaders from all political perspectives who want to see substantial and truly fair tax relief for all Americans.”

Specifically, as the Wall Street Journal noted today, the American People’s Dividend actually provides substantially more tax relief to 80% of the population than the Bush plan.

Rep. Bernie Sanders (I-VT), one of the principal architects of the Dividend, noted that unlike the Bush plan, the American People’s Dividend provides tax relief even to those who might not pay substantial income tax.

Sanders said, “While the Bush proposal essentially leaves out seniors and low-income workers, this plan helps everyone. Our premise is based on the fact that Americans rich and poor helped build the surplus, and therefore everyone should get an equal part of that surplus – not just the wealthy. This plan is simple, across-the-board, and fiscally prudent. President Bush should stop trying to trick the American people into believing that his plan helps everyone, and start pushing a plan like ours that gives everyone the same benefit.”

Progressive Caucus Vice Chair Rep. Barbara Lee pointed out that the American People’s Dividend was the fastest most efficient way of delivering immediate tax relief and economic stimulus.

“With the skyrocketing costs of housing, medicine, college education, and other important and necessary items, we must act now to benefit people who need this tax credit to enhance the quality of their lives,” said Rep. Barbara Lee (D-CA). “It is time for us to focus our efforts on helping those who are truly in need - not just those wanting huge tax breaks when they already make hundreds of thousands or even millions of dollars per year.”

Rep. Major Owens (D-NY), a senior member of both the Progressive and the Black Caucus, said he would be spearheading an effort to reach out to different groups in Congress and at the grassroots level to build support for the American People’s Dividend.

Owens said, “I urge labor unions, citizens organizations, the Hispanic Caucus, the Black Caucus and all other groups who want to see fair tax relief to get behind the plan and help make it a reality.”

Other Members who attended the press conference were Reps. Maurice Hinchey (D-NY), Jerrold Nadler (D-NY) and Peter DeFazio.



CONGRESSIONAL PROGRESSIVE CAUCUS CHAIRMAN

Dennis Kucinich

Rep. Barbara Lee, Vice Chair

<http://progressive.house.gov>



Officers: Sen. Paul Wellstone, Rep. Cynthia McKinney, Rep. Bernie Sanders, Rep. Major Owens

The American People's Dividend

Across-the-board, fiscally sound tax relief by the Congressional Progressive Caucus

The Progressive Caucus proposes giving about \$300 to every American man woman and child. Unlike Bush's tax plan, which only gives something big to the wealthy and nothing to low income workers, our American People's Dividend gives the same thing to everybody. Truly something for everyone.

The Problem:

President Bush argues that upper income people pay a larger share of the taxes, therefore they should get a larger tax cut. We disagree. These people have significantly benefited from the economic boom of the 1990s, while those in the bottom range of incomes have received little benefit. It's these folks that we must help.

President Bush's plan is "Reaganomics" revisited, it's fiscally irresponsible, and will blow a huge hole in the federal budget while leaving no money for critical domestic investments or debt reduction. Economists agree that Bush's tax cut plan is not going to cost \$1.6 trillion, it will cost somewhere between \$2.0-2.5 trillion. Despite spending all this money, the President's tax plan gives little to nothing for those with little income. In fact, anyone below 140% of the poverty line, will get a zero tax cut. However, President Bush's plan will only get bigger when the corporate lobbyists get their take.

The Solution:

The Progressive Caucus believes that tax relief must flow to those who need it the most, the working class and people with limited incomes. We have endorsed an idea called the American People's Dividend. We'll give a dividend to every American, because every American is an equal shareholder in America. We estimate the total cost to be about \$900 billion over 10 years.

The plan will give to every person about a \$300 refundable tax credit. A married couple with three children will receive \$1500, \$300 for each member of the family. This plan is simple, easy to administer, and progressive. The plan could provide an economic stimulus since it would put money in people's pockets immediately. Unlike the Bush proposal, which reserves 40% of the tax benefits for the wealthiest 1% of the population, our proposal gives the wealthiest 1% exactly 1% of the tax relief. This makes the bulk of tax relief available for the bulk of the population.

The American People's Dividend is payable every year the federal budget is in surplus.

Comparison of Progressive Tax Plan and President Bush's Plan		
	The Wealthy	The Low Income
Progressive Caucus American Peoples Dividend	\$300	\$300
President Bush's Tax Cuts	\$46,000	\$0

The Caucus believes money left in the surplus beyond that amount is better spent on national priorities such as a prescription drug program and education.

The Progressive Caucus plan is part of a larger budget framework that will be unveiled in the coming few weeks. That framework will protect SS and Medicare, pay down debt, provide tax cuts, and vastly increase domestic spending on education, health care, housing, alternative energy, and veterans programs.



The American People's Dividend

Questions and Answers

Question: What is the American People's Dividend?

Answer: A plan that would simply provide \$300 in tax relief to every man, woman and child in America, provided a budget surplus exists. Proposed by the Congressional Progressive Caucus, the dividend distributes across-the-board tax relief equally to all Americans.

Question: Are there income requirements that I must meet to receive the Dividend?

Answer: No. Everyone gets the same dividend. You get \$300, and so does Bill Gates. As long as there is a surplus, every single American receives the annual Dividend.

Question: How do families receive the Dividend for their children?

Answer: The Dividend is given per dependent on the filer's tax return.

Question: Why is the Dividend a much more fair way to provide tax relief than the Bush Plan?

Answer: By all statistical analysis – conservative and liberal alike – the Bush plan provides the bulk of the tax relief to the wealthiest Americans. Specifically, under the Bush package, the wealthiest 1% of the population receives 40% of the benefits, and the bottom 95% of the population receives less than 50% of the benefits. Under the Dividend, tax relief is spread equally. The wealthiest 1% of the population receives 1% of the tax relief.

Question: How does the Dividend do a better job of protecting the hard-earned surplus than the Bush Plan?

Answer: The Dividend is contingent on the existence of a surplus. The Bush Plan, on the other hand, enacts massive changes to the tax code, locking in huge, costly tax breaks to the wealthy, regardless of whether it is fiscally prudent at the time.

Question: Why is the Dividend the fastest, most effective way to make tax relief boost the economy?

Answer: Instead of putting huge sums of money into the hands of a handful of a few, as the Bush plan seeks to do, the Dividend provides instant tax relief to all Americans, the majority of whom are middle income, working families. Unlike the wealthy beneficiaries in the Bush Plan, the middle income families who get the bulk of the tax relief with the Dividend are more likely to pump this tax relief into the economy for basic human needs – food, clothing, housing, health care and education. That will provide an instant and broad-based stimulus to a variety of economic sectors.